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SUBJECT: GOCR TROTS OUT THE "COSTA RICA CONSENSUS"

REF: A. SAN JOSE 204  
[1](#)B. SAN JOSE 1059

#### Summary

[1](#)1. The GOCR used the Santo Domingo meeting of the OAS General Assembly to make its proposal "to link international cooperation with peace, social investment, sustainable development, and a reduction in military spending," which it calls the Costa Rica Consensus. In his speech to the OASGA on June 5, Foreign Minister Bruno Stagno urged rich countries to forgive the debts of and provide financial resources to developing countries that invest in people and not in arms. In all likelihood, the GOCR will repeat this proposal in the EU Summit in Vienna and other international fora. End summary.

#### Background

[1](#)2. Oscar Arias, president of Costa Rica in the late 80s, a Nobel Peace Prize winner, and reelected president this year, has for many years been calling on the wealthy countries of the world to be more generous in providing aid to developing countries, including middle-income countries like Costa Rica. During his recent election campaign, Arias promised an "active and progressive" foreign policy that would strive "to overcome the enormous asymmetries between rich countries and poor countries" (ref A). Two days before his May 8 inauguration, Arias urged visiting U.S. members of Congress to increase assistance to deserving countries. He claimed that the USG spent USD 500 billion on arms but only USD 16 billion on development aid (ref B).

[1](#)3. In a press interview given June 4, on the eve of a trip to Europe, Arias elaborated on his critique of what he sees as USG stinginess. He said: "Twenty years ago they gave us economic assistance. Today we don't have any. Twenty years ago I was able to renegotiate our foreign debt so that they took USD one billion in debt off our shoulders so that we could invest in roads, infrastructure, and education. That doesn't exist today. Our country doesn't qualify for aid, so the only path to national development is trade. I don't understand that. It's wrong, but there is no other way."

#### Better to Receive

[1](#)4. Addressing the OAS General Assembly in Santo Domingo on June 5, Foreign Minister Bruno Stagno formally introduced Arias's "Costa Rica Consensus." He told the OASGA: "My country's proposal is to link international cooperation with peace, social investment, sustainable development, a reduction in military spending, and the achievement of the objectives of the Inter-American Agenda that are included in the Millennium Objectives of the United Nations. In this context, our organization (the OAS) is called to assume the leadership that these new times impose on it. This is the spirit of the 'Costa Rica Consensus.' A proposal of all Costa Ricans to the countries of the hemisphere and of the

world in which we call on the rich countries to establish mechanisms to forgive the debts of and provide financial resources to developing countries that increase investment in health, education, and housing and reduce spending on arms and soldiers."

¶5. Perhaps taking a page from the Arias book, an unidentified member country of the System of Central American Integration (SICA) proposed a Central American fund for "social cohesion" to benefit the poorest areas of the isthmus. The proposal was made at the SICA Summit in Santo Domingo, which immediately preceded the OASGA, and implies a redistribution of wealth within Central America from better-off countries like Costa Rica to the very poor like Nicaragua and Honduras. Costa Rican Second Vice President Kevin Casas told the press that the GOCR had "serious objections" and "grave concerns" abQ66FPBNc